THE HONORABLE MARC L. BARRECA
Hearing Date: February 17, 2012
Hearing Time: 9:30 a.m.
Response Date: February 10, 2012
Hearing Location: Seattle
Chapter 7

THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re ADAM GROSSMAN, Debtor.	Case No. 10-19817 REPLY TO TRUSTEE'S RESPONSE TO MOTION FOR ORDER THAT PROCEEDING IS ONE UNDER STOCKBROKER LIQUIDATION SUBCHAPTER III

COMES NOW the Debtor, by and through his attorney of record Jeffrey B. Wells, and in reply to the Trustee's response to Debtor's Motion for Proceeding under Stockbroker Liquidation Subchapter III states as follows.

The Debtor does not seek an order for the preceding under the stockbroker liquidation subchapter III for any reason that would benefit of the debtor. Rather the debtor has filed the present motion because there are investors whose interests are deserving of the courts protection. Specifically the following investors invested in the Terrington Davies Tanager Fund LP, Peter Zieve and Lyman Opie. Mr. Dellas was an investor in the Ptamigan Real Estate Fund, LLC.

The following investors were investors in the Terrington Davies Manager Fund LP and

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have potential claims against that fund due to a possible claw back of prior distributions if investors Peter Zieve and Lyman Opie are not paid in full. These investors are as follows: Jeff Bernstein, Stephen LeBlanc, Joanna Strober, Marc Weitz, Harold J and Cynthia M Hendricks Family Trust, John Ettinger, Arthur Bernstein, Terrington Davies Capital Management, Alexandra Grossman, Naomi Grossman, and Terrington Davies LLC.

Claims for these investors have been or are being filed for them by the bar date of February 14, 2012. The trustee argues that while Terrington Davies LLC or Terrington Davies Tanager Fund LP might conceivably qualify as a stockbroker the debtor does not. The monies invested in Terrington Davies Tanager Fund, LLP were used to buy the Glennview Drive property which is the subject of the trustee's adversary complaint against Key West Financial LLC. To that extent the debtor should be treated as a stockbroker because the debtor's estate holds the assets which were acquired by the investors' funds. Likewise the Ptarmigan Real Estate Fund, LLC, of which Robert Dellas Family Trust was an investor provided the funds for the acquisition of the Montcrest property.

The debtor is aware that the court has taken a dim view of the debtor's past activities. However the present motion is not filed to by the debtor to gain any advantage for himself. Rather it is to assist the investors in their attempts to recover their investments. Debtor assumes that the trustee and his attorney will remain on the case even if the proceedings are deemed to be under a stockbroker liquidation and presume that they would continue their efforts to administer the estate.

Finally debtor realizes that the filing of the claims and the filing of the stockbroker liquidation motion are not in sync and therefore do not object if the present motion is continued so that the trustee and his counsel have additional time to review the claims of the investors

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before addressing the court on the current motion.

Respectfully submitted this 14th day of February, 2012.

/s/ *Jeffrey B. Wells*
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